

***Franklin County  
Municipal Court***

*Financial Statements for the  
Year Ended December 31, 2003  
and Independent Auditors' Report*





**Auditor of State  
Betty Montgomery**

Franklin County Municipal Court

We have reviewed the Independent Auditor's Report of the Franklin County Municipal Court, Franklin County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Franklin County Municipal Court is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 13, 2004

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# FRANKLIN COUNTY MUNICIPAL COURT

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# FRANKLIN COUNTY MUNICIPAL COURT

## ELECTED OFFICIALS DECEMBER 31, 2003

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<u>ELECTED OFFICIAL</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Charles Schinder	Administrative Judge	01/05/98 to 01/03/10
Harland Hale	Environmental Judge	02/15/03 to 01/04/10
Michael T. Brandt	Judge	01/03/00 to 01/02/06
Carrie E. Gladen	Judge	10/01/03 to 12/31/03
James E. Green	Judge	01/03/02 to 01/02/08
Janet A. Grub	Judge	01/03/98 to 01/02/10
Julie M. Lynch	Judge	09/18/03 to 12/31/03
Steven B. Hayes	Judge	01/02/02 to 01/01/08
Teresa L. Liston	Judge	01/01/00 to 12/31/05
W. Dwayne Maynard	Judge	01/02/00 to 01/01/06
H. William Pollitt, Jr.	Judge	01/01/98 to 12/31/09
Anne Taylor	Judge	01/06/98 to 01/05/10
Scott D. VanDerkarr	Judge	01/01/02 to 12/31/07
Paul M. Herbert	Judge	01/04/04 to 01/06/10
Julia L. Dorrian	Judge	01/07/04 to 01/06/10
Ted Barrows	Judge	01/02/04 to 01/01/10
Michael A. Pirik	Clerk of Court	01/05/04 to 12/31/05

# FRANKLIN COUNTY MUNICIPAL COURT

## KEY ADMINISTRATIVE PERSONNEL DECEMBER 31, 2003

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<u>NAME</u>	<u>TITLE</u>
Charles Lausch	Director - Office of Information Services
Randy Tarrier	Project Manager/System Administrator
Mary Enright	Manager - Accounting/Financing Division
Crystal Ross	Fiscal Officer
Sancha Young	Office Manager



## INDEPENDENT AUDITORS' REPORT

Michael A. Pirik, Clerk of Court  
Franklin County Municipal Court  
Columbus, Ohio

We have audited the accompanying combining statement of undisbursed cash balances of the Franklin County Municipal Court (the "Court") as of December 31, 2003, and the related combining statement of receipts, disbursements and changes in undisbursed cash balances for the year then ended. These financial statements are the responsibility of the management of the Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the undisbursed cash balances arising from cash transactions of the Court, at December 31, 2003, and its total receipts, disbursements and changes in undisbursed cash balances for the year then ended, on the basis of accounting described in Note 1.

The management's discussion and analysis on pages 3-5 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. This supplementary information is the responsibility of the Court's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the combined total information in the financial statements taken as a whole. The combining information is presented for purposes of additional analysis of the combined total information in the combining financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined total information in the combining financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined total information in the combining financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2004, on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Deloitte + Touche LLP*

May 20, 2004

# FRANKLIN COUNTY MUNICIPAL COURT

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2003

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The following Management's Discussion and Analysis ("MD&A") section of the Franklin County Municipal Court's (the "Court") financial report represents a discussion and analysis of the Court's financial performance during the fiscal years ended December 31, 2003 and 2002. Please read it in conjunction with the Court's financial statements, which follow this section.

### Overview of the Financial Statements

The Franklin County Municipal Court's financial statements are presented on a cash receipts and disbursements basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

For financial reporting purposes, the Court is an agency fund group which consists of the agency funds of the five divisions of the Court: criminal, bail, civil, trusteeship and rent escrow. The operating expenses of the Court are funded by the City of Columbus and Franklin County and are not, therefore, part of the reporting entity included in this report.

### Combining Statement of Undisbursed Cash Balances

The following summarizes the Court's undisbursed cash balances as of December 31, 2003 and 2002:

	December 31			Increase
	2003	2002	% Change	(Decrease)
Civil division	\$ 841,815	\$ 941,447		\$ (99,632)
Trusteeship division	2,231	2,155		76
Rent escrow division	43,239	60,362		(17,123)
Criminal division	206,985	169,405		37,580
Bail division	<u>957,363</u>	<u>1,134,743</u>		<u>(177,380)</u>
Total undisbursed cash balances	<u>\$2,051,633</u>	<u>\$2,308,112</u>	<u>11 %</u>	<u>\$(256,479)</u>

Over time, increases and decreases in undisbursed cash balance indicate the funds held for case disposition as a result of yearly cash receipts and disbursement timing.

## Financial Information

The following schedule presents a summary of funds for the fiscal years ended December 31, 2003 and 2002:

### Statement of Receipts and Disbursements

	December 31			Increase (Decrease)
	2003	2002	% Change	
Receipts				
Civil division	\$ 16,863,190	\$ 14,944,020	13 %	\$ 1,919,170
Trusteeship division	126,247	82,099	54 %	44,148
Rent escrow division	198,655	206,487	(4)%	(7,832)
Criminal division	17,289,308	15,874,509	9 %	1,414,799
Bail division	<u>3,535,626</u>	<u>3,493,593</u>	<u>1 %</u>	<u>42,033</u>
Total receipts	<u>\$ 38,013,026</u>	<u>\$ 34,600,708</u>	<u>10 %</u>	<u>\$ 3,412,318</u>
Disbursements				
Civil division	\$ 16,962,822	\$ 14,940,778	14 %	\$ 2,022,044
Trusteeship division	126,171	79,944	58 %	46,227
Rent escrow division	215,778	214,924	0 %	854
Criminal division	17,251,728	15,927,254	8 %	1,324,474
Bail division	<u>3,713,006</u>	<u>3,510,845</u>	<u>6 %</u>	<u>202,161</u>
Total disbursements	<u>\$ 38,269,505</u>	<u>\$ 34,673,745</u>	<u>10 %</u>	<u>\$ 3,595,760</u>

#### Civil Division Receipts

The civil receipts increased by 13% due to an increase of 6% in new case filings and 9% in Civil Ancillary Proceedings. This was offset by a decrease in the security fee from \$10 to \$7 per case.

#### Civil Division Disbursements

The civil division disbursements increased by 14%. The difference between receipts is attributed to the timing of payments at year-end.

#### Rent Escrow Division Receipts

The rent escrow division receipts decreased by 4% due predominately to a decrease in new rent escrow cases.

#### Rent Escrow Division Disbursements

The rent escrow division disbursements remained consistent with prior year. The difference between receipts is attributed to the timing of payment at year-end.

### **Criminal Division Receipts**

The criminal/traffic division receipts increased by 9% due to the increase in court costs in 2002 which are now reflected for an entire year as follows:

\$7 Security Fee on Criminal and OMVI Cases  
30% Collection Fee

### **Criminal Division Disbursements**

The criminal/traffic division disbursements increased by 8% due to the increase in court costs. Difference from receipt increase is attributed to the timing of payments at year-end.

### **Bail Division Receipts**

The bail division receipts increased by 1% due to an increase in cash bonds, offset by a 4% decrease in criminal cases.

### **Bail Division Disbursements**

The bail division disbursements increased by 6% due to the increase in receipts as well as disbursements of amounts received from prior years.

# FRANKLIN COUNTY MUNICIPAL COURT

## COMBINING STATEMENT OF UNDISBURSED CASH BALANCES DECEMBER 31, 2003

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Criminal division	\$ 206,985
Bail division	957,363
Civil division	841,815
Trusteeship division	2,231
Rent escrow division	<u>43,239</u>
Total	<u>\$2,051,633</u>

See note to combining financial statements.

# FRANKLIN COUNTY MUNICIPAL COURT

## COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN UNDISBURSED CASH BALANCES FOR THE YEAR ENDED DECEMBER 31, 2003

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	<b>Criminal</b>	<b>Bail</b>	<b>Civil</b>	<b>Trusteeship</b>	<b>Rent Escrow</b>	<b>Combined Total</b>
Cash receipts	\$17,289,308	\$3,535,626	\$16,863,190	\$126,247	\$198,655	\$38,013,026
Cash disbursements	<u>17,251,728</u>	<u>3,713,006</u>	<u>16,962,822</u>	<u>126,171</u>	<u>215,778</u>	<u>38,269,505</u>
Total cash receipts over (under) cash disbursements	37,580	(177,380)	(99,632)	76	(17,123)	(256,479)
Undisbursed cash balance at January 1, 2003	<u>169,405</u>	<u>1,134,743</u>	<u>941,447</u>	<u>2,155</u>	<u>60,362</u>	<u>2,308,112</u>
Undisbursed cash balance at December 31, 2003	<u>\$ 206,985</u>	<u>\$ 957,363</u>	<u>\$ 841,815</u>	<u>\$ 2,231</u>	<u>\$ 43,239</u>	<u>\$ 2,051,633</u>

See note to combining financial statements.

# FRANKLIN COUNTY MUNICIPAL COURT

## NOTE TO COMBINING FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2003

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Reporting Entity**—The Municipal Court (the “Court”) was created and operates under the authority of Section 1901.01 of the Ohio Revised Code. Under the present law, the Court operates with 15 elected Judges and an elected Clerk of Court, each of whom serves a six-year term. The Court has been granted jurisdiction for the entire area of Franklin County.

For financial reporting purposes, the Court is an agency fund group which consists of the agency funds of the five divisions of the Court: criminal, bail, civil, trusteeship and rent escrow. The operating expenses of the Court are funded by the City of Columbus and Franklin County and are not, therefore, part of the reporting entity included in this report.

**Basis of Accounting**—The Court prepares its combining financial statements on the basis of cash receipts and disbursements. Under this accounting method, revenues are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when incurred.

**Cash and Investments**—The Court maintains separate cash accounts for four of the five divisions, as the criminal/traffic and bail divisions are combined into one account.

The provisions of the Ohio Revised Code govern the investment and deposit of monies held by the Court. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Court to invest monies in certificates of deposit and savings accounts.

Public depositories must give security for all public funds on deposits. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (“FDIC”), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Court’s name.

- a. **Deposits**—At year-end, the carrying amount of the Court’s deposits was \$2,051,633 and the bank balance was \$2,674,818, with the difference attributed mainly to outstanding checks. As required by criteria described in Governmental Accounting Standards Board (“GASB”) Statement No. 3, *Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, \$100,000 of the bank balance was covered by FDIC insurance; and \$2,574,818 was held in a single financial institution collateral pool with securities being held by the pledging financial institution’s agents in the pool’s name. In addition, the Court had \$7,000 of cash on hand.
- b. **Investments**—Investments of the monies held by the Court are categorized in accordance with criteria established by GASB Statement No. 3 and amended by GASB Statement No. 40 to give an indication of the level of concentration, interest rate and credit risk assumed as of December 31, 2003. As of December 31, 2003 and 2002, the Court held no investments.

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Betty Montgomery  
Auditor of State of Ohio

And

Michael A. Pirik  
Clerk of Court  
Franklin County Municipal Court

We have audited the combining statement of undisbursed cash balances of the Franklin County Municipal Court (the "Court"), as of December 31, 2003 and the related combining statement of receipts, disbursements and changes in undisbursed cash balances for the year then ended, which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and have issued our report thereon dated May 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended solely for the information and use of the audit committee, management and state funding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



May 20, 2004





**Auditor of State  
Betty Montgomery**

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**FRANKLIN COUNTY MUNICIPAL COURT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 27, 2004**